



August 31, 2018

To Whom It May Concern

Company Name: OUTSOURCING Inc.
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Notice Regarding Acquisition of Shares of ALLEN LANE TOPCO LIMITED, United Kingdom

OUTSOURCING Inc. (hereinafter the "Company") hereby announces that the Board of Directors, at its meeting held on August 31, 2018, resolved to acquire 82.5% of the issued shares of ALLEN LANE TOPCO LIMITED (hereinafter "ALTL"), making it a Company's subsidiary, as follows.

By making ALTL a subsidiary of the Company, ALLEN LANE LIMITED (hereafter "ALL") which is a 100% subsidiary of ALTL and operates dispatching businesses to governments shall become a Company's sub-subsubsidiary.

Particulars

1. Purpose of the acquisition of shares

Under the ongoing medium-term business plan "VISION 2020: Tackling New Frontiers," the OUTSOURCING Group (hereinafter the "OS Group") has been promoting to build a tenacious group structure by leveling profits with extending into areas whose business cycles are different from those of volatile manufacturing outsourcing businesses, and with expanding public services outsourcing businesses both in Japan and overseas which are less susceptible to economic fluctuations.

In overseas markets, both central and local governments particularly in developed economies proactively outsource public service operations to private sectors, and the market size is assumed as much as some trillions of yen. The OS Group set a benchmark on public services outsourcing businesses in the U.K., and since the entry into the U.K. in April 2016 it has been stretching public services from upstream to downstream by inviting several dispatching companies to the OS Group, which operate such services as debt collection for central and local governments, consulting (advisory services for central governments to outsource or sell operations to private sectors), BPO (business process outsourcing) and BPS (business process services: services for streamlining business process).

ALL, founded in 2004 and based in the U.K., is a HR service provider mainly operating dispatching businesses for governments and non-profit organizations. It has expertise in dispatching services to central and local governments in the U.K., especially strength in personnel resources in accounting and finance fields. It has also accumulated track records as a prominent recruiting/placing agency for governmental projects by utilizing its strong recruiting capability. ALL has a wide variety of clients in the British Government and has been continuously expanding businesses with central and local governments from fiscal 2016 when the Brexit was resolved and onward by capturing needs for use of dispatching services triggered by uncertainties towards the Brexit.

This acquisition should enable the OS Group not only to offer wider proposals to the common governmental client base but also to anticipate synergy effects contributing to expansion of public services outsourcing businesses which is one of the pillars for growth strategies defined in the OS Group's medium-term business plan. These synergies include: lending ALL's strong recruiting capability to existing group companies in the U.K., cooperative marketing activities with ALL consultants who maintain deep relationships with their client bases, and improved responses to demand for personnel resources derived from the Brexit. Furthermore the OS Group will develop businesses also in the British Commonwealth nations including Australia which have relatively similar systems, and accelerate both stabilizing and expanding businesses.

2. Outline of a transferring subsidiary (ALTL)

(1)	Company name	ALLEN LANE TOPCO LIMITED							
(2)	Head office	Acre House, 11-15 William Road, London, NW1 3ER, United Kingdom							
(3)	Name and title of representative	Ben Lane, Managing Director							
(4)	Major business	Holding company							
(5)	Shared capital	GBP 16,000,000 (JPY 2,288 million)							
(6)	Established	June 30, 2016							
(7)	Major shareholders, % owned	James Allen	3.75%	Louise Allen	46.25%	Ben Lane	3.75%	Roberta Lane	46.25%
(8)	Relationship between the Company and ALTL	Capital relationship	None						
		Personal relationship	This company's directors Ben Lane, James Allen, Louise Allen, and Roberta Lane are directors at the Company's consolidated subsidiary ALL HOLDCO 2016 LIMITED. James Allen also works as a director at its consolidated subsidiary VERACITY OSI UK LIMITED.						
		Business relationship	There are no special matters to be noted between the Company and ALTL. It should be noted, however, that there are operational transaction relationships between consolidated subsidiaries of the Company and consolidated subsidiaries of ALTL.						
(9)	Consolidated financial results and financial status for the past three fiscal years								
	Fiscal year	May 2016		May 2017		May 2018 (unaudited)			
		(GBP thousand)	(JPY million)	(GBP thousand)	(JPY million)	(GBP thousand)	(JPY million)		
	Net assets	-	-	2,147	307	2,606	372		
	Total assets	-	-	5,065	724	6,264	896		
	Net assets per share	-	-	0.13 (GBP)	18.59 (JPY)	0.16 (GBP)	22.88 (JPY)		
	Net sales	-	-	50,867	7,276	46,590	6,664		
	Operating profit	-	-	1,466	209	1,144	163		
	Profit before income taxes	-	-	1,467	209	1,144	163		
	Profit for the year	-	-	1,088	155	884	126		

Profit attributable to owners of parent	-	-	1,088	155	884	126
Profit per share	-	-	0.07 (GBP)	10.01 (JPY)	0.06 (GBP)	8.58 (JPY)
Dividends per share	-	-	0.10 (GBP)	14.30 (JPY)	0.03 (GBP)	4.29 (JPY)

Note: Conversion rate is GBP 1 = JPY 143.04 (as of August 29, 2018). The same shall apply hereinafter.

* Outline of a major subsidiary of ALTL

(1)	Company name	ALLEN LANE LIMITED					
(2)	Head office	Acre House, 11-15 William Road, London, NW1 3ER, United Kingdom					
(3)	Name and title of representative	Ben Lane, Managing Director					
(4)	Major business	Dispatch business operator and others					
(5)	Shared capital	GBP 2,200 (JPY 314,000)					
(6)	Established	April 28, 2004					
(7)	Major shareholders, % owned	ALLEN LANE TOPCO LIMITED 100%					
(8)	Relationship between the Company and ALLEN LANE LIMITED	Capital relationship	None				
		Personal relationship	This company's directors Ben Lane, James Allen, Louise Allen, and Roberta Lane are directors at the Company's consolidated subsidiary ALL HOLDCO 2016 LIMITED. James Allen also works as a director at its consolidated subsidiary VERACITY OSI UK LIMITED.				
		Business relationship	There are operational transaction relationships between consolidated subsidiaries of the Company and ALLEN LANE LIMITED.				
(9)	Financial results and financial status for the past three fiscal years						
	Fiscal year	May 2016		May 2017		May 2018 (unaudited)	
		(GBP thousand)	(JPY million)	(GBP thousand)	(JPY million)	(GBP thousand)	(JPY million)
	Net assets	2,599	371	2,137	305	2,596	371
	Total assets	8,755	1,252	5,065	724	6,264	896
	Net assets per share	1,299 (GBP)	185,000 (JPY)	534 (GBP)	76,000 (JPY)	649 (GBP)	92,000 (JPY)
	Net sales	53,469	7,648	50,867	7,276	46,590	6,664
	Operating profit	4,039	577	1,469	210	1,144	163
	Profit before income taxes	4,020	575	1,470	210	1,144	163
	Profit for the year	3,140	449	1,091	156	884	126
	Profit per share	1,570 (GBP)	224,000 (JPY)	273 (GBP)	39,000 (JPY)	221 (GBP)	31,000 (JPY)
	Dividends per share	2,664 (GBP)	381,000 (JPY)	388 (GBP)	55,000 (JPY)	106 (GBP)	15,000 (JPY)

3. Outline of sellers of the shares

(1)	Name	James Allen
(2)	Address	London, England
(3)	Relationship between the Company and concerned Individuals	The individual above is a director of the Company's consolidated subsidiary ALL HOLDCO 2016 LIMITED and VERACITY OSI UK LIMITED.

(1)	Name	Louise Allen
(2)	Address	London, England
(3)	Relationship between the Company and concerned Individuals	The individual above is a director of the Company's consolidated subsidiary ALL HOLDCO 2016 LIMITED.

(1)	Name	Ben Lane
(2)	Address	London, England
(3)	Relationship between the Company and concerned Individuals	The individual above is a director of the Company's consolidated subsidiary ALL HOLDCO 2016 LIMITED.

(1)	Name	Roberta Lane
(2)	Address	London, England
(3)	Relationship between the Company and concerned Individuals	The individual above is a director of the Company's consolidated subsidiary ALL HOLDCO 2016 LIMITED.

4. Number of shares to be acquired, acquisition price and ownership before and after the acquisition

(1)	Number of shares owned before acquisition	Number of shares	0
		Number of voting rights	0
		Ratio of voting right owned	0%
(2)	Number of shares to be acquired	Number of shares	13,200,000
		Number of voting rights	13,200,000
		Ratio of voting right owned	82.5%
(3)	Acquisition price	Acquisition price (estimated amount)	JPY 2,997 million
		Advisory fee and others (estimated amount)	JPY 82 million
		TOTAL (estimated amount)	JPY 3,079 million
(4)	Number of shares owned after acquisition	Number of shares	13,200,000
		Number of voting rights	13,200,000
		Ratio of voting right owned	82.5%

5. Schedule

(1)	Date of board of directors resolution	August 31, 2018 (Japan time)
(2)	Date of agreement	August 31, 2018 (Japan time)
(3)	Date of share transfer	August 31, 2018 (Japan time)

6. Future outlook

The impact of this matter on consolidated financial results for this fiscal year is under study. If any matters to be disclosed develop, the Company will promptly make proper announcements.

(Reference) Consolidated financial forecasts for FY12/2018 (announced on February 14, 2018) and consolidated financial results for FY12/2017

(Unit: millions of JPY)

	Revenue	Operating profit	Profit before tax	Profit for the year	Profit attributable to owners of the Company
FY12/2018 Forecasts	290,000	13,800	12,800	8,600	6,900
FY12/2017 Results	230,172	11,360	10,395	6,929	6,180